

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re	:	Chapter 11
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DELPHI CORPORATION, <u>et al.</u> ,	:	Case No. 05-____ ()
	:	
Debtors.	:	(Jointly Administered)
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INTERIM ORDER UNDER 11 U.S.C. § 327(e) AND FED R. BANKR. P. 2014 (I)
AUTHORIZING EMPLOYMENT AND RETENTION OF SHEARMAN & STERLING
LLP AS SPECIAL COUNSEL TO DEBTORS
AND (II) SCHEDULING FINAL HEARING THEREON

("SHEARMAN & STERLING RETENTION INTERIM ORDER")

Upon the application, dated October 8, 2005 (the "Application"), of Delphi Corporation and certain of its subsidiaries and affiliates, debtors and debtors-in-possession in the above-captioned cases (collectively, the "Debtors"), for interim and final orders (the interim order being referred to hereinafter as the "Interim Order") under 11 U.S.C. § 327(e) and Fed. R. Bankr. P. 2014(a) (a) authorizing the employment and retention of Shearman & Sterling LLP ("Shearman & Sterling") as special counsel to the Debtors and (b) scheduling a final hearing thereon; and upon the Affidavit Of Robert S. Miller, Jr. In Support Of Chapter 11 Petitions And First Day Orders, sworn to October 8, 2005, and on the Affidavit of Douglas P. Bartner in support of the Application (the "Bartner Affidavit"); and this Court being satisfied with the representations made in the Application and the Bartner Affidavit that Shearman & Sterling does not represent or hold any interest adverse to any of the Debtors' estates or the Debtors with respect to the matters on which Shearman & Sterling is to be employed, and that Shearman & Sterling's employment is necessary and would be in the best interests of each of the Debtors' estates; and it appearing that proper and adequate notice has been given and that no other or

further notice is necessary; and upon the record herein; and after due deliberation thereon; and good and sufficient cause appearing therefore, it is hereby

ORDERED, ADJUDGED, AND DECREED THAT:

1. The Application is GRANTED on an interim basis.
2. Subject to the terms of this Interim Order, the Debtors' employment of Shearman & Sterling as their special counsel, effective as of the Application date, to perform the services set forth in the Application, is approved under section 327(e) of title 11 of the United States Code, 11 U.S.C. §§ 101-1330, as amended (the "Bankruptcy Code"), and Rule 2014 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules").
3. Shearman & Sterling shall be compensated in accordance with the standards and procedures set forth in sections 330 and 331 of the Bankruptcy Code and all applicable Bankruptcy Rules, Local Bankruptcy Rules for the United States Bankruptcy Court for the Southern District of New York, guidelines established by the Office of the United States Trustee, and further orders of this Court.
4. This Interim Order shall remain in full force and effect until such time as this Court approves a final order.
5. The Debtors shall serve a notice of the final hearing to approve the Application (the "Notice"), substantially in the form attached hereto as Exhibit 1, on (a) the Office of the United States Trustee, (b) the Debtors' 50 largest unsecured creditors, (c) counsel for the agent under the Debtors' prepetition credit facility, (d) counsel for the agent under the Debtors' proposed postpetition credit facility, and (e) any committee appointed under section 1102 of the Bankruptcy Code. Notice served pursuant to the preceding sentence shall be via first class mail,

postage prepaid. No further notice of the final hearing to approve the Application or of the entry of this Interim Order need be served by the Debtors.

6. Objections, if any, to approval of the Application on a final basis must be in writing and filed timely in accordance with the requirements set forth in the Notice. If timely written objections are received, there shall be a hearing held on ●, 2005 at [time] to determine whether to approve, on a final basis, the retention of Shearman & Sterling on the terms described in the Application.

7. If no written objections to Shearman & Sterling's retention are filed timely, sent, and received in accordance with the Notice and this Interim Order, a final order will be submitted which will provide that the Application shall be granted in its entirety.

8. This Court shall retain jurisdiction to hear and determine all matters arising from the implementation of this Interim Order.

9. The requirement under Rule 9013-1(b) of the Local Bankruptcy Rules for the United States Bankruptcy Court for the Southern District of New York for the service and filing of a separate memorandum of law is deemed satisfied by the Application.

Dated: New York, New York
October ●, 2005

UNITED STATES BANKRUPTCY JUDGE

EXHIBIT 1

NOTICE

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Attorneys for Delphi Corporation, et al.,
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<http://www.delphidocket.com>

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re	:	Chapter 11
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DELPHI CORPORATION, <u>et al.</u> ,	:	Case No. 05-____ ()
	:	
Debtors.	:	(Jointly Administered)
	:	
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NOTICE OF APPLICATION AND ENTRY OF INTERIM ORDER
UNDER 11 U.S.C. § 327(e) AND FED. R. BANKR. P. 2014
(I) AUTHORIZING EMPLOYMENT AND RETENTION
OF SHEARMAN & STERLING LLP AS SPECIAL COUNSEL
TO DEBTORS AND (II) SCHEDULING FINAL HEARING THEREON

PLEASE TAKE NOTICE that on October 8, 2005, Delphi Corporation ("Delphi") and certain of its subsidiaries and affiliates, debtors and debtors-in-possession in the above-captioned cases (collectively, the "Debtors"), filed the Application For Order Under 11 U.S.C. § 327(e) And Fed. R. Bankr. P. 2014 (I) Authorizing Employment And Retention Of Shearman & Sterling LLP ("Shearman & Sterling") As Special Counsel To Debtors And (II) Scheduling Final Hearing Thereon (the "Application").

PLEASE TAKE FURTHER NOTICE that on October 8, 2005, the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court") entered an interim order granting the relief requested in the Application, a copy of which is enclosed herewith.

PLEASE TAKE FURTHER NOTICE that if no written objections to Shearman & Sterling's retention are filed timely, served, and received in accordance with the requirements set forth below, a final order will be submitted that will provide that the Application shall be granted in its entirety. If written objections are filed timely, served, and received, a hearing to consider approval of the Application on a final basis will be held at **10:00 a.m. Eastern Time on October 10, 2005** before the Honorable **John J. Gorman**, United States Bankruptcy Judge, in the Bankruptcy Court, Courtroom **10**, One Bowling Green, New York, New York 10004-1408 (the "Hearing").

PLEASE TAKE FURTHER NOTICE that objections, if any, to approval of the Application on a final basis must (a) be in writing, (b) conform to the Federal Rules of Bankruptcy Procedure and the Local Bankruptcy Rules for the United States Bankruptcy Court for the Southern District of New York, (c) be filed with the Bankruptcy Court in accordance with General Order M-242, as amended (registered users of the Bankruptcy Court's case filing system must file electronically and all other parties-in-interest must file on a 3.5 inch disk, preferably in

Portable Document Format (PDF), WordPerfect, or any other Windows-based word processing format), (d) be submitted in hard-copy form directly to the chambers of the Honorable •, United States Bankruptcy Judge, and (e) served upon (i) the Debtors at Delphi Corporation, 5725 Delphi Drive, Troy, Michigan 48098 (Att'n: General Counsel), (ii) Shearman & Sterling LLP, 599 Lexington Avenue, New York, New York 10022 (Att'n: Douglas P. Bartner), (iii) counsel to the Debtors, Skadden, Arps, Slate, Meagher & Flom, 333 West Wacker Drive, Suite 2100, Chicago, Illinois 60606 (Att'n: John Wm. Butler, Jr.), (iv) counsel to the agent under the Debtors' prepetition credit facility, Simpson Thacher & Bartlett LLP, 425 Lexington Avenue, New York, New York 10017 (Att'n: Marissa Wesley), (v) counsel to the agent under the Debtors' proposed postpetition credit facility, Davis Polk & Wardell, 450 Lexington Avenue, New York, New York 10017 (Att'n: Marlane Melican), (vi) counsel to any official committee formed in these cases, (vii) the Office of the United States Trustee for the Southern District of New York, 33 Whitehall Street, Suite 2100, New York, New York 10044 (Att'n: Deirdre A. Martini, Esq.), and (viii) the indenture trustees for the Debtors' outstanding debt securities, Wilmington Trust Company, 1100 North Market Street, Rodney Square North, Wilmington, Delaware 19890 (Att'n: Corporate Trust Office) and Law Debenture Trust Company of New York, 780 Third Avenue, 31st Floor, New York, New York 10017 (Att'n: Corporate Trust Office), in each case so as to be received no later than **4:00 p.m. Eastern Time on •, 2005** (the "Objection Deadline").

PLEASE TAKE FURTHER NOTICE that only those objections made in writing and filed timely and received by the Objection Deadline will be considered by the Bankruptcy Court at the Hearing, and that if no objections to the Application are filed timely and served in accordance with the procedures set forth herein, the Bankruptcy Court may enter a final order granting the Application **without further notice**.

Dated: New York, New York
October __, 2005

SKADDEN, ARPS, SLATE, MEAGHER
& FLOM LLP

By: /s/ John Wm. Butler, Jr.
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